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Financing of the United Nations Mission in Sierra Leone

Performance report on the budget of the United Nations Mission in Sierra Leone for the period from 1 July 2004 to 30 June 2005

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2004/05	$291,603,600
Expenditure for 2004/05	$264,525,800
Unencumbered balance	$27,077,800

I. Introduction

1. The general report of the Advisory Committee on Administrative and Budgetary Questions on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to the United Nations Mission in Sierra Leone (UNAMSIL).

2. The documents used by the Advisory Committee in its consideration of the financing of UNAMSIL are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2004 to 30 June 2005

3. On the recommendation of the Advisory Committee contained in its report on UNAMSIL to the General Assembly at its fifty-eighth session (A/58/759/Add.3), the Assembly, by its resolution 58/308, appropriated a total amount of $207,246,100 for the period from 1 July 2004 to 30 June 2005, inclusive of $196,982,200 for the

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maintenance of the Mission, $8,391,200 for the support account for peacekeeping operations and $1,872,700 for the United Nations Logistics Base at Brindisi, Italy. This initial budget was prepared in accordance with the four-stage modified status quo drawdown plan for the Mission, as endorsed by the Security Council in its resolution 1492 (2003), which envisaged a complete withdrawal of peacekeeping troops by December 2004 (S/2003/663, paras. 37-40). Subsequently, the Council decided, by its resolution 1537 (2004), that a residual UNAMSIL presence would remain in Sierra Leone for an initial period of six months, from 1 January 2005. In this regard, an additional amount of $94,621,400 was authorized by the Assembly in its resolution 59/14 A on the recommendation of the Committee (A/59/417), bringing the total appropriation for the maintenance of the Mission for the 2004/05 period to $291,603,600. This amount has been assessed on Member States.

4. Expenditure for the maintenance of the Mission for the period totalled $264,525,800 gross ($259,488,500 net). The resulting unencumbered balance of $27,077,800 represents, in gross terms, 9.3 per cent of the appropriation for the maintenance of the Mission.

5. Key resource variances include savings resulting from a lower deployment of military contingents with an average actual strength of 5,458 compared to the budgeted 5,627 ($2,621,800) as a result of a faster pace of drawdown of the military force than was foreseen; reduced requirements for civilian police commensurate with the faster pace of downsizing of the military force ($318,600); a high actual vacancy rate of 18.2 per cent for international staff compared to the budgeted rate of 8 per cent ($7,048,800) owing to persistent difficulties in retaining and attracting qualified personnel as the mission was drawn down; and lower requirements under operational costs in the amount of $18,278,100 or 18.7 per cent, also due, in part, to the deployment of fewer military and police personnel.

6. The major savings under operational costs were realized in the following categories:

(a) Air transportation, in the amount of $14,967,800, or 30 per cent, comprising reduced costs for rental and operations of helicopters ($13,056,900) due to the withdrawal of 12 helicopters and the fact that the actual number of helicopter hours flown was 9,609 instead of the 15,755 budgeted hours and the corresponding lower requirements for petrol, oil and lubricants ($1,696,800);

(b) Medical expenditure, in the amount of $1,823,700 (27.7 per cent), under contingent-owned equipment and self-sustainment owing to the lower number of troops deployed and the lower than budgeted number of level-1 clinics required;

(c) Communications, in the amount of $1,510,700 (17.5 per cent), largely due to a decrease in the mission's share of global transponder charges following the expansion and establishment of other peacekeeping operations as well as a reduction in local and international calls;

(d) Special equipment, in the amount of $901,600 (34.7 per cent) owing to reduced requirements for contingent-owned equipment and self-sustainment resulting from the lower than budgeted troop strength.

7. The savings realized were offset by higher than budgeted expenditure for national staff ($261,400 or 9.6 per cent) due to higher actual average salary payments (see also para. 10 below); additional requirements under United Nations

Volunteers owing to the recruitment of 37 Volunteers rather than the 10 planned and the repatriation of 79 instead of the budgeted 50 United Nations Volunteers ($705,400); increased requirements under ground transportation owing to an increase in the fuel price from $0.33 to $0.42 per litre, fuel fraud (see paras. 12 and 13 below), the acquisition of spare parts for an ageing vehicle fleet, refurbishment of vehicles transferred to other missions and the appreciation of the euro against the United States dollar ($1,058,000); additional requirements under other supplies, services and equipment largely due to the purchase of 40 sea containers and the higher than planned usage of ferry services for the rotation and repatriation of military contingents ($110,500 or 6.2 per cent); additional requirements for the higher than anticipated deployment and repatriation rate of military observers ($222,700 or 2.7 per cent); and unbudgeted additional requirements of $107,000 under consultants to settle an outstanding payment for a human rights consultant group for services rendered in 2001.

8. The Advisory Committee was informed that in response to its concerns with respect to overexpenditure under non-training-related official travel, which amounted to $577,200, or 144.3 per cent of the budgeted amount during the 2003/04 period (A/59/736/Add.9, paras. 27 and 28), UNAMSIL had closely monitored travel costs and was able to record modest savings of 0.1 per cent during 2004/05 under official travel, including training and non-training-related travel. From the additional information provided, the Committee notes that a cost overrun of $51,500 (8.2 per cent), under non-training official travel due to additional trips by the offices of the Special Representative of the Secretary-General and the Force Commander was offset by savings in the amount of $52,300 (29 per cent) under training-related travel, as a result of targeting training to the specific needs of the mission and increased in-house training, in accordance with its recommendations (A/59/417, para. 21; A/58/759/Add.3, para. 35).

9. The Advisory Committee requested and received details on the outstanding obligations in the amount of $7.3 million carried over at the end of 2004/05 to the current financial period. In comparison, the Committee recalls that in the previous financial cycle, an amount of $10.8 million in outstanding obligations had been carried over from 2003/04 to 2004/05. From the additional information provided, the Committee notes that as at 31 January 2006, 67 per cent of the $7.3 million in outstanding obligations had been utilized, 15 per cent had been cancelled and that most of the remaining 18 per cent, or some $1.4 million, would be utilized before 30 June 2006. The Committee welcomes the improvements made and requests UNAMSIL to pursue efforts to address its concerns on the need for tighter financial control (A/59/736, paras. 12 and 13).

10. The Advisory Committee notes that additional requirements of $238,600 (14.4 per cent) under national staff were attributable to actual payments for salaries and allowance equivalent to level 4, step 5, of the salary scale applicable to Freetown, whereas the budget was established on an assumption of level 3, step 3. **The Committee notes that this divergence between the budgetary assumptions and actual payments for the salaries of national staff also occurred in several other peacekeeping missions and it trusts that steps will be taken to rationalize this situation so as to promote budget transparency.**

11. The Secretary-General, in his report on liabilities and proposed funding for after-service health insurance (A/60/450 and Corr.1), proposed a number of measures that needed to be taken to fund and account for the accrued liabilities for such benefits; the measures provided, inter alia, for the transfer of $250 million from unencumbered balances and savings on or cancellation of prior period's obligations of active peacekeeping missions as at the end of the 2005 fiscal year. **Depending on what the General Assembly decides, there may be a consequential impact on the financing of UNAMSIL and other peacekeeping operations.**

Fraud and presumptive fraud

12. In its report (A/60/5 (Vol. II), paras. 397-407), the Board of Auditors indicated that it is concerned by the increase in the number of cases of fraud and presumptive fraud reported by the Administration, up from 6 cases in 2003/04 to 30 cases at all missions in 2004/05. Furthermore, it should be noted that this number does not reflect the total number of cases of fraud and presumptive fraud, since a number of cases may be under review or not yet reported to the Board.

13. The Advisory Committee notes with concern that of the 30 cases reported, 25 occurred at UNAMSIL. Of these, 19 are related to fuel fraud at the mission, representing an estimated value of approximately $1.5 million, or 2.6 million litres of fuel. The Board indicates that the issue of fuel mismanagement was a subject of resident auditor's findings at UNAMSIL in 2004 and 2005. The Committee was informed that the fraud cases were partly uncovered by UNAMSIL through the Mission Electronic Fuel Accounting System, which had been developed and implemented in response to a fraud case in 2003. To further improve monitoring of fuel consumption, UNAMSIL indicated that controlled consumption tests had been conducted on major equipment to establish and monitor actual fuel consumption rates in support of budgeted estimates.

14. The Advisory Committee was informed that UNAMSIL was developing a comprehensive fuel policy, ensuring that car logs were installed in all vehicles being transferred to the United Nations Integrated Office in Sierra Leone (UNIOSIL) and that a fuel log system for UNIOSIL installations was prepared. The Committee notes that the Board of Auditors indicates that it recognizes the actions taken by UNAMSIL to address the problems with regard to fuel management (A/60/5 (Vol. II), para. 401).

15. The Advisory Committee shares the Board's concerns that the risk of poor fuel management may be pervasive and prevalent in other missions. **In the view of the Committee, this pattern of extensive fuel fraud at UNAMSIL demonstrates the urgent necessity for the strengthening of the monitoring of fuel consumption throughout all peacekeeping operations.**

III. Information on performance for the current period

16. The Advisory Committee was provided with additional information on the current period showing that as at 20 February 2006, of the approved budget of $107,539,300, expenditures amount to $85,300,600 gross or 79.5 per cent, with an unencumbered balance of $22,238,700. Savings are projected under civilian personnel owing to the higher than budgeted vacancy rates and to the turnover of

civilian personnel as staff are gradually reassigned to UNIOSIL and other missions (see para. 20 below). The Committee was informed that further savings are expected to materialize under air operations due to the earlier than planned departure of fixed-wing aircraft and helicopters from the mission, under ground transportation as a result of reduced costs in shipment and refurbishment of vehicles to the United Nations Mission in Liberia (UNMIL), UNIOSIL and the United Nations Mission in the Sudan (UNMIS) and under facilities and infrastructure.

17. The Advisory Committee was informed that as at 30 November 2005, a total of $2,783,086,880 had been assessed on Member States in respect of UNAMSIL since its inception. Payments received as at the same date amounted to $2,776,212,750, leaving an outstanding balance of $6,874,130. As at 17 February 2006, the cash position of the mission was $206,100,000 and unliquidated obligations for the period from 1 July 2004 to 30 June 2005 amounted to $7,536,000.

18. With regard to death and disability compensation, the Committee notes that since inception, as at 31 December 2005, 182 claims had been registered and that a total amount of $6,012,000 had been paid as compensation. Unliquidated obligations amount to $13,110,100 and nine claims are still pending. **The Committee expects expeditious settlement of these cases.**

IV. Activities of the Mission related to liquidation

19. The Advisory Committee was informed that UNAMSIL had successfully implemented its adjustment, drawdown and withdrawal plan, having repatriated 3,375 troops and closed down 21 team sites by 31 December 2005 in accordance with Security Council resolution 1610 (2005). A liquidation office was established on 1 January 2006, staffed with 89 international and 31 security personnel. The Committee was assured that the liquidation plan was on track: it was anticipated that the liquidation of the assets according to the asset disposal plan would be completed by the end of April 2006 and that the remaining activities, including archiving, settlement of claims and closure of financial and personnel records, would be completed on schedule by 30 June 2006.

20. In its previous reports the Advisory Committee has commented on the high turnover of staff and the persistent difficulties experienced by UNAMSIL in retaining experienced staff as the mission was downsizing (A/59/736/Add.9, para. 32; A/59/417, para. 19). The Committee was informed that the mission is working closely with headquarters to ensure the placement of the remaining qualified UNAMSIL staff, to the extent possible, in UNIOSIL and other peacekeeping missions. Upon request, the Committee was provided additional information indicating that of the 82 UNAMSIL staff members requiring placement, including security personnel, 23 had been proposed for UNIOSIL, 1 had been selected for UNIOSIL and 1 might be reassigned to the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) in mid-April.

21. **The Advisory Committee emphasizes once again the heightened need for close oversight during the liquidation phase and for close coordination between UNAMSIL and the Office of Internal Oversight Services (OIOS) to ensure that proper oversight mechanisms are in place during the liquidation phase and that due attention is paid to ensuring strict application of United Nations Rules and Regulations and accepted practices in a transparent manner. In this connection,**

the Committee was informed that the posts allocated to the Office of Internal Oversight Services for UNAMSIL have been filled (A/59/736/Add.9, para. 33).

22. With respect to financial management issues, the Advisory Committee was informed that the Board of Auditors had noted in a management letter dated 21 November 2005 that UNAMSIL had taken steps to implement adequate controls to recover outstanding debts in a timely manner and had emphasized the need for settling receivables and payables before the liquidation of UNAMSIL. The Committee was assured that steady progress is being made in this regard. **It urges UNAMSIL to continue its efforts to comply with the recommendations of the Board of Auditors.**

23. The Advisory Committee was informed that all pertinent recommendations had been passed on to UNIOSIL management for follow-up and implementation, as appropriate.

Support provided by the Mission

24. In accordance with Security Council resolution 1620 (2005), UNAMSIL carried out logistical and administrative infrastructure arrangements to facilitate the start-up of UNIOSIL. The support structures for the military guard force providing security for the Special Court of Sierra Leone were also established by UNAMSIL. The Committee was provided additional information on the support and assistance provided by UNAMSIL to United Nations and non-United Nations entities in the mission area (see annex II).

Asset disposal

25. The Advisory Committee recalls that, as at 31 December 2004, UNAMSIL's updated preliminary asset disposal plan reflected an inventory value of some $65 million, of which it was proposed to transfer assets in the amount of 58 per cent to other peacekeeping missions, to transfer 2 per cent to other United Nations offices funded from the assessed budget, to sell 4 per cent to other to United Nations agencies and to write-off 23 per cent. It was proposed to donate the remaining 13 per cent, or assets in the value of some $8.4 million to the Government of Sierra Leone to support its ongoing capacity-building efforts (see A/59/759 and A/59/736/Add.9, paras. 40 and 41). This proposal was approved by the General Assembly in its resolution 59/14 B (para. 21).

26. The Advisory Committee was informed that as at 31 December 2005 the estimated inventory value of UNAMSIL's assets stood at $57.7 million and that the establishment of UNIOSIL and the military guard force for the Special Court of Sierra Leone had had a major impact on UNAMSIL's original preliminary asset disposal plan. Some $20.8 million, or 55 per cent of the assets intended for other peacekeeping missions, were now designated for UNIOSIL. As at 31 December 2005, assets in the amount of $9.2 million have been shipped to other missions, essentially UNMIL and the United Nations Operation in Côte d'Ivoire (UNOCI). At the beginning of March 2006, assets worth $7.2 million of the $8.4 million approved have been donated to the Government of Sierra Leone. It is expected that written-off assets in the amount of $13 million will be sold, of which $5.1 million have already been disposed of. A further $2.2 million worth of assets, with current sales in the amount of some $1 million, will be sold to United Nations agencies. Requests for material from other United Nations offices funded from the regular budget,

estimated at 2 per cent of the asset value, have not materialized. It is projected that by the end of April, UNAMSIL will have disposed of 97 per cent of its assets inventory, while the remaining assets will form the final donation to the Government of Sierra Leone.

27. The Advisory Committee was assured that UNAMSIL has taken steps to strengthen inventory control practices and that the office of the chief administrative officer would continue to exercise direct oversight throughout the process.

Final performance report

28. In light of the assurances given by UNAMSIL on the completion of all liquidation activities by 30 June 2006, the Advisory Committee requests that the final performance report be produced by the second quarter of 2007, at the time of the submission of the budget proposals for peacekeeping operations.

V. Conclusion

29. The actions to be taken by the General Assembly in connection with the financing of UNAMSIL for the period from 1 July 2004 to 30 June 2005 are indicated in paragraph 27 of the performance report (A/60/631). **The Advisory Committee recommends that the unencumbered balance of $27,077,800 as well as other income and adjustments in the amount of $72,209,800 be credited to the Member States in a manner to be determined by the General Assembly.**

Documentation

- Performance report of the Secretary-General on the budget of the United Nations Mission in Sierra Leone for the period from 1 July 2004 to 30 June 2005 (A/60/631)
- General Assembly resolution 59/14 B on the financing of UNAMSIL
- Security Council resolutions 1492 (2003) and 1537 (2004)
- Twenty-seventh report of the Secretary-General on the United Nations Mission in Sierra Leone (S/2005/777)
- Twenty-third report of the Secretary-General on the United Nations Mission in Sierra Leone (S/2004/724)
- Progress report of the Secretary-General on ways to combat subregional and cross-border problems in West Africa (S/2005/86)

Annex I

Actual expenditure for the period from 1 July 2005 to 30 June 2006

As at 20 February 2006
(Thousands of United States dollars)

Category	*Appropriation*	*Expenditures*
Military and police personnel		
Military observers	3 250.6	2 328.4
Military contingents	31 832.4	30 587.7
Civilian police	1 562.8	1 185.8
Formed police units	—	—
Civilian personnel		
International staff	24 290.3	17 503.0
National staff	2 186.0	1 425.5
United Nations Volunteers	1 689.0	2 072.8
Operational costs		
General temporary assistance	379.6	6.6
Government-provided personnel	—	—
Civilian electoral observers	—	—
Consultants	77.3	49.9
Official travel	411.1	370.3
Facilities and infrastructure	9 488.9	7 454.5
Ground transportation	2 748.6	1 397.1
Air transportation	21 721.6	14 125.4
Naval transportation	—	—
Communications	3 550.9	2 975.9
Information technology	1 063.9	838.5
Medical	1 675.9	1912.8
Special equipment	688.0	688.0
Miscellaneous supplies, services and equipment	922.4	378.3
Quick-impact projects	—	—
Gross requirements	**107 539.3**	**85 300.6**
Staff assessment income	5 882.4	4 602.5
Net requirements	**101 656.9**	**80 698.1**
Voluntary contributions in kind (budgeted)	—	—
Total resource requirements	**107 539.3**	**85 300.6**

Annex II

Summary of support provided by the United Nations Mission in Sierra Leone to United Nations and non-United Nations entities in the Mission area

(United States dollars)

			Amount credited	
Entities receiving support[a]	*Type/detail of support provided*	*Reimburseable*	*Mission allotment account*	*Miscellaneous income*
Special Court for Sierra Leone	Supply of fuel	Yes	—	142 384
	Air support services	Yes		24 858
	Medical	Yes	—	25 045
	Security ID cards	Yes	—	1 173
	Generator parts	Yes	—	101
	Engineering electrical parts	Yes	—	2 248
	Sewage collection	Yes	—	204
	Rental of communications and IT equipment	Yes	—	7 327
	Outgoing diplomatic pouches to New York and Geneva	Yes	—	1 414
	Transport vehicle maintenance	Yes	—	30 806
	Air operations special flight	Yes	—	9 564
	Vehicle recovery	No	—	—
	Limited cargo movement	No	—	—
UNMIL	Vehicle and spares	Yes	—	1 039 730
	Communications and IT support	Yes	—	287 979
	Engineering equipment	Yes		320 378
	Expendable supply item	Yes		28 300
	Non-expendable supply item	Yes		13 874
ONUCI	Vehicle and spares	Yes	—	1 296 064
	Communications and IT support	Yes	—	1 077 097
	Engineering equipment	Yes		349 812
	10,000 x Operational ration packs (ORP) Halal	Yes	91 948	—
	3,000 x ORP Halal and 1,992 x ORP Hindu	No		
	Expendable supply item	Yes		339 021
	Non-expendable supply item	Yes		12 278
UNAMIS	Vehicle and spares	Yes	—	3 324
	Communications and IT support	Yes	—	1 106 360
	Expendable supply item	Yes		48 754
	Non-expendable supply item	Yes		180 686

Entities receiving support[a]	*Type/detail of support provided*	*Reimbursable*	*Amount credited*	
			Mission allotment account	*Miscellaneous income*
UNAMI	Communications and IT support	Yes	—	156 202
	Freight and forwarding of communications and technology equipment	Yes	—	10 377
MINUSTAH	Communications and IT support	Yes	—	49 875
ONUB	Communications and IT support	Yes	—	174 143
	Expendable supply item	Yes	—	2 095
	Non-expendable supply item	Yes	—	235 404
UNGOBIS	Air support services	Yes	—	106 584
UNDP	Provided 3 accommodation containers on loan	No	—	—
UNHCR	Air support services	Yes	—	4 882
UNFPA	Air support services	Yes	—	1 420
FAO	Air support services	Yes	—	2 347
American Embassy	Bus hire	Yes	—	76
Japan International Cooperation Agency	Air support services	Yes	—	1 327
Freetown City Council	Assistance in solid waste collection and disposal	No	—	—
Sierra Leone Police	Supply of diesel	Yes	—	3 924

[a] Abbreviations: UNMIL — United Nations Mission in Liberia; ONUCI — United Nations Operation in Côte d'Ivoire; UNAMIS — United Nations Advance Mission in the Sudan; UNAMI — United Nations Assistance Mission for Iraq; MINUSTAH — United Nations Stabilization Mission in Haiti; ONUB — United Nations Operation in Burundi; UNOGBIS — United Nations Peacebuilding Support Office in Guinea-Bissau; UNDP — United Nations Development Programme; UNHCR — Office of the United Nations High Commissioner for Refugees; FAO — Food and Agriculture Organization of the United Nations.